

**TESTIMONY**  
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**HEALTH CARE FINANCING ADMINISTRATION**  
**on the**  
**HOME HEALTH CARE**

**OUTCOME & ASSESSMENT INFORMATION SET (OASIS)**  
**before the**  
**SENATE SPECIAL COMMITTEE ON AGING**  
**MAY 24, 1999**

Chairman Grassley, Senator Breaux, distinguished committee members, thank you for inviting us to discuss our efforts to improve home health care quality through better patient assessment and measurement of the outcomes of care. We are required by law to monitor the quality of home health care with a "standardized, reproducible assessment instrument." To improve care and comply with the law, we will be using the Outcome and Assessment Information Set (OASIS).

OASIS helps home health agencies determine what patients need, develop the right plan for their care, assess that care over the course of treatment, and learn how to improve the quality of that care. It incorporates all the information about patients' health and functional status, health service use, living conditions, and social support that are needed to support all the home health agencies' responsibilities. In addition to monitoring quality, OASIS also is essential for accurate payment under the new home health prospective payment system that the law requires us to use beginning October 1, 2000. We will be requiring use of OASIS by home health agencies as a Condition of Participation in the Medicare and Medicaid programs this year.

The important benefits of OASIS must be implemented in a way that protects personal privacy. At HCFA, we have an excellent historical record of safeguarding sensitive beneficiary information. Our agency provides greater protection for personal medical information than generally exists in the private sector, and we are actively participating in the Administration's inter-agency process to make Secretary Shalala's recommendations for medical privacy work on the operational level.

In recent months, we have come to realize that stronger privacy protections must be built into the structure of our new operations. President Clinton and Vice President Gore have both spoken about the paramount importance they attach to medical records privacy. This is why the Administration has been a consistent advocate for effective medical records privacy legislation. I am pleased to announce some new steps we are taking to assure the privacy of patients while maintaining the legitimate focus of the OASIS program, such as:

- Careful drafting of a notice that Medicare and Medicaid patients will receive. The notice will explain why OASIS data is collected, and inform patients of their right to see and request corrections of the data.
- Limitations on "routine uses" of data under the Privacy Act, so that personally identifiable data will only be used where statistical information is not sufficient. Among other changes, personally identifiable data will no longer go to accrediting organizations such as the Joint Commission for Accreditation of Health Organizations.
- Major changes in the treatment of private-pay patients under OASIS. We have decided that information on non-Medicare and non-Medicaid patients will *not* be transmitted to the States or

the agency in personally identifiable form.

- After careful attention to each question in OASIS, virtually all questions were retained on grounds of assuring quality of care and appropriate reimbursement. We did identify a sensitive question on patient financial factors that we consider less critical to achieving program goals, and this information will not be reported to HCFA or the States.
- Acceleration of efforts to encrypt data during transmission, to provide yet another level of protection. We expect to complete these efforts within a year.

We are also making special efforts to help home health agencies learn how to use this valuable tool. We have learned through a demonstration of OASIS that, once home health care providers learn how to use OASIS, it actually slightly reduces the total time it takes to conduct a thorough patient assessment. Home health care professionals who have used OASIS in the demonstration agree that it takes no longer to use than their previous assessment methods. Because OASIS is structured in a checklist format, home health staff using it spend less of the total evaluation time writing out a narrative of their assessment findings and more time with the patient. A chart comparing average patient assessment times with and without OASIS is attached to my testimony.

More than 8,000 of the approximately 9,500 home health agencies participating in Medicare across the country have now received official OASIS training. Efforts to help providers through the OASIS learning curve include:

- a satellite broadcast training session on August 20, 1998 to sites across the country reaching approximately 30,000 home health care professionals (tapes of this session are also available);
- numerous presentations at industry trade association meetings;
- distribution of a free, detailed manual on how to collect OASIS data, use the software, and report the data;
- manuals, software, updates, and other additional assistance that can be downloaded from the Internet at [hcfa.gov/medicare/hsqb/oasis/oasishmp.htm](http://hcfa.gov/medicare/hsqb/oasis/oasishmp.htm);
- answers to questions on installing OASIS software via a toll-free telephone line at 1-877-201-4721 and via E-mail [haven\\_help@ifmc.org](mailto:haven_help@ifmc.org);
- establishing OASIS Educational Coordinators in all States;
- a week long conference last September to teach State personnel about OASIS; and
- a "train the trainer" program last October for all State OASIS Educational Coordinators to provide materials and detailed information on how to teach home health care professionals in their State how to use OASIS.

## **Background**

Home health patients are among the most vulnerable Medicare and Medicaid beneficiaries. They tend to have more health problems, and the fact that care is delivered in the home makes monitoring the quality of that care more challenging. The Omnibus Budget Reconciliation Act of 1987 mandated that Medicare monitor the quality of home health care and services with a "standardized, reproducible" assessment instrument. The following year we contracted with University of Colorado researchers and clinicians to develop such an instrument. We have been working ever since to refine and validate what has become OASIS.

OASIS has been used by 162 home health agencies in various demonstration projects around the country. It has been tested in a national Outcome-Based Quality Improvement demonstration involving

50 home health agencies of all sizes, and in a single-State demonstration project involving 22 agencies. OASIS questions also have been used in the national Medicare home health prospective payment demonstration, which includes 90 agencies in five States.

OASIS provides a standardized format for the patient assessments that home health agencies have been doing all along. It does not require additional effort for agencies that have been conducting the thorough patient assessments that are needed in order to provide appropriate care. OASIS incorporates only information needed to support concrete indicators of patient need and quality of care.

The 79 data elements in OASIS were developed by clinicians and are valid, reliable, and risk adjusted, taking into account all characteristics of patient populations. This ensures that assessments done by different health care professionals with OASIS consistently yield the same results. It also ensures that quality measurement takes into account whether agencies are caring for sicker patients and therefore might have what otherwise would appear to be poorer care or outcomes.

OASIS is supported by the American Academy of Home Care Physicians, the National Alliance for the Mentally Ill, and many home health care providers who are voluntarily using OASIS because of its unprecedented value in promoting high quality care and comprehensive, accurate, clinical record-keeping. Home health care professionals using OASIS report that it is helping them to be more focused on the needs of individual patients, and to provide better care in fewer visits and with fewer subsequent hospitalizations.

## **Implementation**

We first published a proposed rule for requiring use of OASIS by all home health agencies participating in the Medicare and Medicaid program in the *Federal Register* on March 10, 1997. Many comments on the proposed regulation suggested adding additional questions. However, to keep OASIS at a reasonable length, we instead will allow agencies flexibility to expand OASIS for their own patient population. For example, an agency that provides a larger share of mental health services can add extra questions related to mental health if it so chooses; however, these data will not be transmitted.

On January 25, 1999, we published a final regulation requiring use of OASIS and an interim final rule requiring that home health agencies encode and transmit the data to us. We had planned for home health agencies to begin mandatory reporting of OASIS data on April 26, 1999. However, on April 7 we announced that we would postpone the requirement in order to conduct a thorough evaluation of privacy concerns and to complete the review of OASIS pursuant to the Paperwork Reduction Act of 1995. Once these concerns are addressed, we expect to publish a new date for the start of mandatory collection and will report it in the *Federal Register*.

Once reporting begins, home health agencies will transmit computerized, coded OASIS data to State survey agencies using a private network with a direct phone connection. The State will compile the data and send it to the Health Care Financing Administration. OASIS system users must enter an ID and password at three different checkpoints before access is permitted. And, the data transmitted to the States and to HCFA is fully protected under the federal Privacy Act. The Privacy Act has been effective in ensuring confidentiality of Medicare data.

We will develop a performance report for each home health agency based on its OASIS reports, including a comparison of its performance to the State and national average. These performance reports will allow home health agencies to identify their own weaknesses and improve the quality of care they provide. They also will allow us to compare the quality of care among agencies and thereby increase

scrutiny for those that need more oversight and assistance in improving quality. Eventually, we will share these agency performance reports with the public so consumers can make informed choices among home health agencies based on the quality of care they provide. Examples of the information these reports will provide is attached to my testimony.

Data that can identify individual Medicare and Medicaid patients are critical to ensuring that we pay accurately for care and that we can monitor the quality of care. It allows evaluators to assess whether a home health patient's later admission to a hospital or nursing home might be related to gaps or problems with the care provided by the home health agency and identify potential areas for improvement. It is also essential for ensuring accurate payment under the prospective payment system. In particular, it links the OASIS data to actual claims data in order to create the proper weightings for reimbursement.

As I stated earlier, all information that could be used to identify private pay patients will be removed by the home health agencies before OASIS data is reported to HCFA and the State.

### **OASIS and Prospective Payment**

OASIS data are critical to development, implementation, and accurate payment under the home health prospective payment system that Congress has required we implement in October 2000. We need to collect OASIS data as soon as possible in order to develop prospective payment rates and estimate their impact based on comprehensive national data. Doing so based on the limited OASIS research data available to us now could jeopardize our ability to pay accurately and to understand in advance how different types of agencies across the country will be affected.

The comprehensive information in OASIS is necessary to accurately determine the appropriate amount of care, and therefore the appropriate amount of payment for that care. This is particularly important in the home health environment, which is complicated by confounding factors such as patient behavior. Patient diagnosis alone, which is the basis for inpatient hospital prospective payment, predicts less than 10 percent of home health patients' need for service.

Using OASIS to both determine accurate payment and assess quality helps to minimize the burden on home health agencies. It also helps fight fraud and abuse, which has been a substantial problem in home health care, because it balances incentives. While prospective payment creates an incentive to "upcode" and say patients are sicker in order to receive higher payment, doing so with OASIS would result in poor quality indicators. That could trigger an investigation, as well as result in a competitive disadvantage when home health agency profiles based on OASIS data are eventually shared with the public.

Using OASIS to monitor quality is even more essential under a prospective payment system. As mentioned above, prospective payment creates highly effective incentives to provide care efficiently, but those incentives must not be allowed to reduce appropriate care. OASIS will help providers accurately assess what the proper level of care is, and it will help us monitor that care to ensure that patients are getting all the care they need.

### **CONCLUSION**

OASIS represents a significant advance in home health care. It is proven in rigorous testing to help improve the quality of patient care and the outcomes of that care. It allows home health care professionals to spend more time with patients and less time writing up assessments. It will help ensure accurate payment under the new prospective payment system. It will help ensure that beneficiaries receive high quality care. And it will help protect taxpayer dollars and the integrity of the Medicare and

Medicaid programs. We are taking extra precautions, beyond our already stringent privacy protections for Medicare and Medicaid data, to ensure the confidentiality of OASIS information, and we are communicating these precautions to all (Medicare, Medicaid, and private pay) patients before they receive home health care. In addition, we are working to help home health care professionals learn how to use this important new clinical advance. I thank you for holding this hearing, and I am happy to answer your questions.